

ORIGINAL

UNITED STATES OF AMERICA

**BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Alliance Companies, et al.

**Midwest Independent Transmission
System Operator, Inc.**

PJM Interconnection, L.L.C.

Docket No. EL02-65-010

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FEDERAL ENERGY
REGULATORY COMMISSION

**STATEMENT OF THE MICHIGAN PUBLIC SERVICE COMMISSION
IN SUPPORT OF COMMENTS OF THE MICHIGAN-WISCONSIN PARTIES**

On October 8, 2003, a group of twelve parties consisting of Michigan Stakeholders and Wisconsin Stakeholders ("M-W Parties") filed their comments ("October 8 Comments") on the September 17, 2002 preliminary implementation plan and progress report ("September 17 Report") filed by the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") and PJM Interconnection, L.L.C. ("PJM"). The September 17 Report was filed in compliance with the July 31 Order issued in the captioned proceeding. *Alliance Companies, et al.*, 100 FERC ¶ 61,137 (2002). The September 17 Report included a progress report on efforts to implement the Commission's condition that Michigan and Wisconsin utilities be held harmless by the decisions of AEP, Com Ed and Dayton Power and Light Company ("New PJM Companies") to join PJM. In addition, the M-W Parties responded to the request for clarification of the "hold harmless" requirement of the July 31 Order filed by the New PJM Companies on August 31, 2002.

The M-W Parties disagree with certain statements of the new PJM Companies regarding the scope of the hold harmless condition set forth in the July 31 Order. Specifically, the M-W Parties oppose any interpretation that the scope of the hold harmless provision is limited to incremental loop flow impacts attributable to the New PJM Companies' participation in PJM as compared to not being a part of any RTO. Instead, the

M-W Parties state that the hold harmless condition applies to the difference between operational and financial impacts involving loop flows attributable to the New PJM Companies' decision to join PJM as compared to the impacts of such loop flows if the New PJM Companies had joined the Midwest ISO, which the Michigan and Wisconsin utilities had already done.

Michigan supports the interpretation of the hold harmless provision set forth in the comments of the M-W Parties. The Commission clearly intended to protect consumers of electricity in Michigan and Wisconsin from any adverse affects attributable to the New PJM Companies' decision to join PJM rather than the Midwest ISO. The New PJM Companies' attempt to narrow the hold harmless provision is based on the unrealistic assumption that their only options were to join PJM or no RTO.

Based on the foregoing, Michigan hereby indicates its support for the October 8 Comments filed by the M-W Parties. To the extent necessary, Michigan hereby seeks permission to file this statement after the date established for filing answers to the September 17 Report.

Respectfully submitted,

**THE MICHIGAN PUBLIC
SERVICE COMMISSION**



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October 11, 2002

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document by first-class mail upon each party on the official service list compiled by the Secretary in this proceeding.


David D'Alessandro